

Supreme Court, U. S.

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IN THE  
**Supreme Court of the United States**

OCTOBER TERM, 1975

NO. 75-70

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SOCIAL SERVICE EMPLOYEES UNION, LOCAL 371 and  
SOCIAL SERVICE EMPLOYEES UNION, LOCAL 371  
WELFARE FUND

*Petitioners.*

—versus—

WOMEN IN CITY GOVERNMENT UNITED,  
et al,

*Respondents.*

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PETITION FOR A WRIT OF CERTIORARI TO THE  
UNITED STATES COURT OF APPEALS  
FOR THE SECOND CIRCUIT

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GERALD J. BARRE  
STEPHEN F. GORDON  
ROBERT M. ZISKIN  
Mirkin, Barre, Saltzstein &  
Gordon, P.C.  
98 Cutter Mill Road  
Great Neck, New York 11021  
Attorneys for Petitioners

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## INDEX

	PAGE
Opinions Below .....	2
Jurisdiction .....	2
Questions Presented .....	2
Statutory Provisions Involved .....	3, 4
Statement of the Case .....	4
REASONS FOR GRANTING THE WRIT:	
1. The Court of Appeals has decided an important question of federal law in a case of novel impression which requires decision by the Supreme Court of the United States ...	8
2. The Order and Decision below conflicts with decisions of other Courts as to the proper interpretation of <i>Geduldig v. Aiello</i> in the administration of Title VII .....	14
CONCLUSION .....	15
APPENDIX A – Order of the Court of Appeals .....	1a
APPENDIX B – Opinion of the Court of Appeals .....	3a
APPENDIX C – Opinion of the District Court .....	17a
APPENDIX D – Order of the District Court .....	29a

## TABLE OF CITATIONS

*Cases:*

Bales v. General Motors Corp., F. Supp. 9 FEP Cases 234 .....	15
Chance v. Board of Examiners, 458 F.2d 1167 (2d Cir. 1972) .....	13
Communication Workers of America v. American Telephone & Telegraph Co., 379 F.Supp. 679 ....	5, 6, 8
Foster v. N.Y.C. Board of Education, Case No. GCS-33448-74 (N.Y.S. Division of Human Rights)	15
Geduldig v. Aiello, 417 U.S. 484 (1974) .....	4, 8, 9, 11, 13, 14, 15
Gilbert v. General Electric Co., F.2d (4th Cir. 1975) aff'g. 375 F.Supp. 367 .....	14
Griggs v. Duke Power Co. 401 U.S. 424 .....	11, 12
Leigh v. City of New York, Case No. GCSF 29884-73 (N.Y.S. Div. of Human Rights) .....	15
Monell v. Department of Social Services, F.Supp. 10 FEP Cases 789 .....	15
Sale v. Waverly - Shell Rock Board of Education, F.Supp. 9 FEP Cases 138 .....	14

## TABLE OF CITATIONS

Union Free School District v. N.Y.S. Human Rights Appeal Board, N.Y. 2d (1974) 10 FEP Cases 431 .....	15
U.S. v. Chesterfield County School District, 484 F.2d 70 (4th Cir. 1973) .....	13
Vineyard v. Hollister Elementary School District, F. Supp. , 8 FEP Cases 1009 .....	15
Wetzel et al v. Liberty Mutual Ins. Co., F.2d (3rd Cir. 1975) 9 FEP Cases 227 aff'g 372 F. Supp. 1163 .....	14
<i>Constitutional and Statutory Provisions and Rules Involved:</i>	
U.S. Constitution, Fourteenth Amendment .....	2, 3, 6, 13, 14
Title VII, 1964 Civil Rights Act 42 U.S.C. Sec. 2000(e)2 .....	2, 3, 6, 12, 13 14, 15
28 U.S.C. § 1254 (1) .....	2
28 U.S.C. § 1292(b) .....	14

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WOMEN IN CITY GOVERNMENT UNITED,  
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*Respondents.*

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**PETITION FOR A WRIT OF CERTIORARI TO THE  
UNITED STATES COURT OF APPEALS  
FOR THE SECOND CIRCUIT**

The Petitioners, Social Service Employees Union, Local 371 and Social Service Employees Union, Local 371 Welfare Fund respectfully pray that a Writ of Certiorari issue to review the order and opinion of the United States Court of Appeals for the Second Circuit entered in this proceeding on April 14th, 1975 and March 26, 1975, respectively, the latter opinion being incorporated by reference into said order.

### OPINIONS BELOW

The opinion of the Court of Appeals (Appendix "B") is not yet officially reported and is to be considered the opinion in this case by reason of the incorporation therein by reference of the same in the order made in the case (Appendix A). The opinion of the District Court (Appendix C) is reported at 379 F. Supp. 679.

### JURISDICTION

The order of the Court of Appeals (Appendix A) incorporating therein an opinion rendered in an unrelated case (Appendix B) and directing a remand of the action to the United States District Court for the Southern District of New York for further proceedings not inconsistent with the decision rendered in the unrelated case was made April 14, 1975. This Court's jurisdiction is invoked under 28 U.S.C. Section 1254 (1).

### QUESTIONS PRESENTED

1. Is it proscribed discrimination to provide a benefit or fail to provide a benefit to individuals who, because of physiology, would be the only ones affected thereby?
2. Is excluding pregnancy and related conditions from fringe benefit plan coverage proscribed discrimination under Title VII of the Civil Rights Act of 1964 as amended (Title VII)?
3. What does *invidious discrimination* mean in context of Title VII as it relates to pregnancy and related conditions?
4. Does discrimination on grounds of sex (or gender) mean something different when the 14th Amendment is involved than when Title VII comes into play?

### STATUTES INVOLVED

The FOURTEENTH AMENDMENT to the United States Constitution provides in relevant part:

"Section 1: No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any state deprive any person of life, liberty or property without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws."

Title VII of the Civil Rights Act of 1964 as amended, 42 U.S.C. § 2000(e) 2, *et seq.*, provides in relevant part:

(a) It shall be an unlawful employment practice for an employer—

(1) to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex, or national origin; or

(2) to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color, religion, sex, or national origin.

(b) It shall be an unlawful employment practice for an employment agency to fail or refuse to refer for employment, or otherwise to discriminate against, any individual because of his race, color, religion, sex, or national origin, or to classify or refer for employment any individual on the basis of his race, color, religion, sex, or national origin.



(c) It shall be an unlawful employment practice for a labor organization —

(1) to exclude or to expel from its membership, or otherwise to discriminate against, any individual because of his race, color, religion, sex, or national origin;

(2) to limit, segregate, or classify its membership or applicants for membership, or to classify or fail or refuse to refer for employment any individual, in any way which would deprive or tend to deprive any individual of employment opportunities or would limit such employment opportunities or otherwise adversely affect his status as an employee or as an applicant for employment, because of such individual's race, color, religion, sex, or national origin; or

(3) to cause or attempt to cause an employer to discriminate against an individual in violation of this section.

(d) It shall be an unlawful employment practice for any employer, labor organization, or joint labor-management committee controlling apprenticeship or other training or retraining, including on-the-job training programs to discriminate against any individual because of his race, color, religion, sex, or national origin in admission to, or employment in, any program established to provide apprenticeship or other training.

#### STATEMENT OF THE CASE

The respondents commenced this action on January 17, 1974, based upon alleged sex discrimination. While a motion by petitioners to dismiss the complaint was pending before the Honorable WHITMAN KNAPP, this Court issued its decision in *Geduldig v. Aiello* (hereinafter referred to as "Aiello"), 417 U.S. 484, (1974) 94 S.Ct. 2485, 8 FEP Cases 97. Based thereon, Judge Knapp, after considering various arguments and positions

of counsel for the parties *sua sponte*, dismissed the complaint with leave to amend. Petitioners pressed time and again for a ruling on their prior motion since the issues raised therein were sufficient to warrant dismissal of the complaint on its merits for want of jurisdiction, improper parties plaintiff, improper parties defendant, failure to plead facts sufficient to constitute a cause of action, failure to timely move for a class determination, and other fatal defects. No ruling thereon was ever made.

The reason assigned by Judge Knapp for dismissing the respondents' complaint as well as the complaint in an unrelated case, *Communications Workers of America v. American Telephone & Telegraph Co.*, 379 F. Supp. 679 (hereinafter referred to as "CWA") with leave to amend, was to enable him to certify a question to the Court of Appeals for the Second Circuit and to enable respondents and *Communications Workers of America* to move for leave to appeal. Such leave was denied respondents but granted *Communications Workers of America*.

The respondents then advised Judge Knapp that they did not intend to amend their complaint and accordingly, Judge Knapp signed an Order on October 10, 1974 (Appendix "D") dismissing the complaint with prejudice, which Order was then appealed to the Court of Appeals for the Second Circuit as of right.

The respondents then moved that argument on their appeal taken as of right, be heard together with that permitted in CWA. Such application was also denied by the Court of Appeals for the Second Circuit.

Respondents then suggested to the Court of Appeals for the Second Circuit that their appeal be heard *en banc*, but this suggestion was also denied.

Separate oral arguments were scheduled in the two unrelated matters. Briefs were prepared, served and submitted in connec-

tion with the action concerned herein. However, before the date oral argument was scheduled to be heard in the matter concerned herein, the Court of Appeals for the Second Circuit rendered a decision and order (Appendix B) remanding the CWA case to the District Court for appropriate proceedings consistent with its opinion.

Respondent immediately moved to remand the action concerned herein on the basis of the opinion in the CWA case and said motion was granted (Appendix A), before Petitioners had had any opportunity to argue the appeal taken by the Respondents.

The action below names as parties defendant a City, two mayors, a city personnel director, two municipal corporations, one municipal authority, one Board of Education, two insurance companies, three municipal labor organizations representing public employees and three welfare funds affiliated with the three named municipal labor organizations.

The complaint in the action below was filed by respondents in behalf of an organization and fourteen individuals, male and female, and alleges, in substance, that the previously described defendants have violated Title VII; the Fourteenth Amendment to the United States Constitution; and various provisions of New York State Law by providing fringe benefits which are less favorable to women than to men.

In amplification, respondents allege in their first cause of action that the employers have discriminated against employees on the basis of sex in that Health and Hospitalization Insurance Plans provided by the employers offer substantially fewer benefits for pregnancy and pregnancy related conditions than for other medical and surgical problems requiring hospitalization and medical care.

In the second cause of action, two insurance carriers are

joined with the City of New York and its related Agencies as having aided and abetted the City in allegedly providing discriminatory Health and Hospitalization Insurance.

In the third cause of action, petitioners, the SOCIAL SERVICE EMPLOYEES UNION, LOCAL 371 (SSEU) and UNITED FEDERATION OF TEACHERS (UFT) and DISTRICT COUNCIL 37, AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES (AFSCME) are joined as having allegedly negotiated discriminatory health and hospitalization fringe benefits with the City.

In the sixth cause of action, it is alleged that the City, petitioners SSEU and SOCIAL SERVICE EMPLOYEES UNION LOCAL 371 WELFARE FUND (SSEU WELFARE FUND) have established and administered programs which are discriminatory with respect to providing benefits for pregnancy and pregnancy related conditions.

In particular, the complaint alleges that the City of New York, the SSEU and the SSEU WELFARE FUND violated the proscription against discrimination on the basis of sex contained in Title VII in that:

"Defendants . . . have . . . discriminated against plaintiffs and the class on the basis of sex in that they have established and administered the defendant SSEU WELFARE FUND, which prior to February 1, 1973, paid no disability benefits for disabilities resulting from pregnancy and pregnancy related conditions while it paid such benefits for disabilities resulting from other causes."

## REASONS FOR GRANTING THE WRIT

### 1.

The Court of Appeals has decided an important question of federal law in a case of novel impression which requires decision by the Supreme Court of the United States.

The Second Circuit's opinion in the unrelated CWA case reflects important statutory and policy decisions affecting employers in the private sector of employment as distinguished from the public sector. That case did not involve any allegations that a labor organization or any welfare fund furnishing benefits to employees violated the provisions of Title VII of the Civil Rights Act.

Nonetheless, the Court of Appeals, without hearing the argument scheduled to be heard in connection with an appeal taken as of right by the Respondents, remanded the action concerned herein involving public or municipal employers, welfare funds, a City, Mayors, City personnel director, municipal corporations and authority and insurance carriers, to the District Court for further proceedings not inconsistent with the opinion in the wholly unrelated case aforesaid (CWA).

Judge Knapp's opinion and order in this case (Appendix C) sets forth in reasoned logic several alternative dispositions, which he concluded were mandated as a result of *Aiello*. He reasoned, and correctly so, that absent allegations of fact constituting invidious discrimination, the complaint was legally insufficient. He afforded respondents an opportunity to amend and respondents refused. He therefore dismissed the complaint with prejudice.

One of the inherent problems in this case is that respondents have confused the issues, parties and procedures to an extent that the central issues, namely what this Court actually held in *Aiello*, has become obscured. It is therefore necessary to refocus

upon the central issues. To do so, it becomes necessary to review how *Aiello* arose.

In 1946 California established a disability insurance program that pays benefits to persons in private employment who temporarily are unable to work because of disability not covered by workmen's compensation. The program was funded entirely from contributions deducted from employee's wages.

The program excluded "*any injury or illness caused by or arising in connection with pregnancy up to the termination of such pregnancy and for a period of 28 days thereafter.*"

The District Court found that the exclusion was not based upon a classification having a rational and substantial relationship to a legitimate state purpose observing that the increased costs could be covered by changing the contribution rate. On such basis the District Court found that the pregnancy exclusion violated the Equal Protection Clause.

This Court made the following pertinent observations:

1. The state intended to establish a benefit system to function essentially in accordance with insurance concepts.
2. The state's commitment over the years was not to increase the contribution rate.
3. A *totally* comprehensive program would be substantially more costly and/or result in a *lower scale of benefits*.
4. Nothing in the Constitution requires the state to subordinate or compromise its legitimate interests solely to create a *more* comprehensive program.
5. The state has legitimate interests in maintaining the self-supporting nature of its program (a) keeping benefit



payments at an adequate level for *covered* disabilities and (b) maintaining the contribution rate at a level not unduly burdensome.

6. There was no evidence that the *selection of the risks insured* discriminated against any (a) definable group, or (b) class in terms of the *aggregate* risk protection derived by *that* group or class from that *program*.
7. There was no *risk* from which men are protected and women are not.
8. There was no *risk* from which women are protected and men are not.

The dissenting justices of this Court would have found that singling out for less favorable treatment a gender-linked disability peculiar to women creates a double standard for disability compensation, i.e., a limitation imposed upon disabilities for which female workers may recover, but men receive compensation for *all* disabilities suffered.

The majority of the justices of this Court, however, in footnote 20, rebutted the dissenters' sex-discrimination argument.

The majority stated that the case did not involve "*discrimination based upon gender as such*." (Emphasis added). While it is true that only women can become pregnant, the Court noted it did not follow that every classification concerning pregnancy was a sex-based classification. The Court held that absent a showing that distinctions involving pregnancy were pretextual lawmakers were free to include or exclude pregnancy from coverage.

This Court then held that the lack of identity *between* pregnancy and gender as such were clear under the challenged

program because the program divided potential recipients into two (2) groups: (1) pregnant *women*, and (2) non-pregnant *persons*. While the first group was exclusively female, the second included members of both sexes and therefore the fiscal and actuarial benefits of the *program* accrue to members of both sexes.

The basic dispute between the majority justices and the dissenting justices concerned the standard by which to review the *program*. This Court has treated statutes and programs having a *racially* discriminatory effect as inherently suspect, but there has *not* been a majority for the proposition that statutes and programs having a sexually discriminatory effect be evaluated the same way.

Judge Knapp took particular note of the rebuttal to the dissent as enunciated in footnote 20 and applied the holding of the majority to the instant case. He gave recognition to the finding of this Court that "*to provide adequate benefits for some disabilities rather than inadequate benefits for all*" was wholly non-invidious and legitimate reasons for not wanting a more comprehensive program. He further gave credence to this Court's finding that there was no evidence in the record that the selection of risks insured by the program worked to discriminate against any definable group or class as the exclusion was not based because of gender "*but merely removes one physical condition — pregnancy — from the list of compensable disabilities*" and that the key to the *Aiello* decision was the flat statement that distinction involving pregnancy do not constitute discrimination because of sex or gender.

Respondents contend that Judge Knapp is in error and that he has misconstrued *Aiello* by requiring them to plead intentional invidious discrimination rather than merely permitting them to plead "*disproportionate impact upon women*," which appellants assert is *prima facie* proscribed sex discrimination and they cite *Griggs v. Duke Power Co.*, 401 U.S. 424, as the authority for this all-inclusive generalization. However, the case does not stand for the proposition ascribed to it.

In the first instance, *Griggs* was a *race* discrimination case and *not* a *sex* discrimination case. Secondly, a reading of *Griggs* reveals that there had been a prior history of intentional race discrimination. "*The District Court found that prior to July 2, 1965 the effective date of the Civil Rights Act of 1964, the Company openly discriminated on the basis of race in the hiring and assigning of employees at its Dan River plant.*" The Court also found that on July 2, 1965, the date on which Title VII took effect, a further requirement for new employees became effective, namely the registering of satisfactory scores on two professionally prepared aptitude tests which the Court found were not directed or intended to measure ability to learn to perform a particular job or category of jobs. The District Court had also found at page 428 "...that while the Company previously followed a policy of overt racial discrimination in a period prior to the Act, such conduct ceased."

The Court then went on to hold at page 430, "*Under the Act, practices, procedures, or tests neutral on their face, and even neutral of intent, cannot be maintained if they operate to 'freeze' the status quo of prior discriminatory employment practices.*" So *Griggs* dealt with an intentional racial discrimination being perpetuated by effect of impact. It did not stand for the converse as respondents contend, that impact alone established proscribed discrimination. It was the perpetuation of the prior intentional discrimination which lay as the basis of the case.

Nowhere in the complaint do Respondents plead or contend that the SSEU or the SSEU Welfare Fund excludes pregnancy or pregnancy related conditions from disability coverage as a pretext designed to effect invidious discrimination against women. In any event such was not the case.

In his decision, Judge Knapp cogently stated:

"The threshold question is whether disparity of treatment

between pregnancy related disabilities and other disabilities can be classified as discrimination because of sex (or gender). If as footnote 20 seems to suggest, it cannot be so classified, then the further question of whether such disparity is justified — or less justifiable in the employment context than in some other context — can never be reached.

In other words, if the *Aiello* Court had found that the California scheme did discriminate on the grounds of sex (or gender) but must nevertheless be upheld because of the deference due to California's sovereign right to make choices in methods of providing social welfare, the holding would clearly be inapplicable to a case arising under Title VII where no such deference is required. But such, as we read it, was not the holding of the Court. The holding was that California's treatment of pregnancy related disabilities did not in and of itself constitute a discrimination based on sex (or gender). Such a holding precludes relief under Title VII even more clearly than under the Fourteenth Amendment. Under the Amendment it would be open to pregnant women to argue that it was irrational to single them out as a class even if the singling out were not sex related. No such argument is open under Title VII, which deals only with discrimination "because of...sex." 42 U.S.C. Sec. 2000 e(2)(a)(1)."

Supporting Judge Knapp's conclusion that the same standards are applicable in a sex discrimination case arising under the Fourteenth Amendment and Title VII are such cases as *Chance v. Board of Examiners*, 458 F.2d 1167, 1176 (2d Cir. 1972) and *U.S. v. Chesterfield County School District*, 484 F.2d 70, 73 (4th Cir. 1973). In *Chance v. Board of Examiners*, *supra*, the Second Circuit recognized that it would be "anomalous at best" were public and private employers, in employment practice cases to be held to different standards under the Fourteenth Amendment and Title VII. Similarly, in another employment practice case, *U.S. v. Chesterfield County School District*, *supra*, the Fourth Circuit concluded:

"...the test of validity under Title VII is not different from the test of validity under the Fourteenth Amendment."

Recognizing that this Court granted certiorari on the 27th day of May, 1975 in the *Matter of Liberty Mutual Insurance Company, v. Sandra Wetzel and Mari Ross, et al*, involving the application of *Aiello*, Title VII and related issues in the *private* sector of employment and that concomitant issues are presented in this case with respect to the application thereof in the *public* sector of employment and with respect to welfare funds of municipal labor organizations, it is respectfully urged that the same be resolved by this Court by granting a Writ of Certiorari herein in order that the issues may be heard and determined at the same time.

## 2.

The Order and Decision Below Conflicts With Decisions of Other Courts as to the Proper Interpretation of *Geduldig v. Aiello* In The Administration of Title VII.

In contrast to the decision of Judge Knapp, the District Court in *Sale v. Waverly-Shell Rock Board of Education* F. Supp. 9 FEP Cases 138, 141 (N.D. Iowa 1975) having found a Title VII violation and having declined to apply the *Aiello* rationale, certified the case pursuant to 28 U.S.C. § 1292 (b), stating "this order involves a controlling question of law as to which there is a substantial ground for difference of opinion."

As this Petition was in its final stages of preparation, counsel was advised that on or about June 28, 1975, the Court of Appeals for the Fourth Circuit in *Gilbert v. General Electric Company* No. 74-1557, 375 F.Supp. 697 (E.D. Vir. 1974) had concluded that women employees were entitled to disability to pay under the company's insurance plan for absence due to childbirth or pregnancy complications. As a result of the

voluminous judicial<sup>1</sup> and administrative agency<sup>2</sup> litigation resulting from the *Aiello* decision, this Court is respectfully urged to explicate its holding in *Aiello* and its application to Title VII.

## CONCLUSION

For the foregoing reasons, the SSEU and the SSEU WELFARE FUND respectfully pray that this Petition for a Writ of Certiorari be granted.

Respectfully submitted,

Gerald J. Barre  
Stephen F. Gordon  
Robert M. Ziskin

MIRKIN, BARRE, SALTZSTEIN  
& GORDON, P.C.  
Attorneys for SOCIAL SERVICE  
EMPLOYEES, LOCAL 371  
UNION and SOCIAL SERVICE  
EMPLOYEES, LOCAL 371  
UNION WELFARE FUND  
98 Cutter Mill Road  
Great Neck, New York 11021  
(516) 466-6030

<sup>1</sup>*Vineyard v. Hollister Elementary School District*, 8 FEP Cases 1009, (N.D. Cal. 1974); *Bales v. General Motors Corp.* 9 FEP Cases 234 (N.D. Cal. 1975); *Monell v. Dept. of Social Services*, 10 FEP Cases 789 (S.D.N.Y. 1975); *Union Free School District v. N.Y. State Human Rights Appeal Board* N.Y.2d (1974), 10 FEP Case, 431;

<sup>2</sup>*Foster v. N.Y.C. Board of Education*, Case No. GCS-33448-74 (New York State Division of Human Rights); *Leigh v. City of New York*, Case No. GCSF-29884-73 (New York State Division of Human Rights)

# APPENDICES



APPENDIX A

Order of the Court of Appeals

UNITED STATES COURT OF APPEALS

Second Circuit

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At a Stated Term of the United States Court of Appeals, in and for the Second Circuit, held at the United States Court House, in the City of New York on the Fourteenth day of April, one thousand and nine hundred and seventy-five.

Women in City Government United, Barbara Robertson, Leslie Boyarsky, Jacquelin Gross, Arlene Friedman, Robert Sussman, Alicia Cantelmi, Pamela Mills, Susan Pass, Linda Zises, Emily Blitz, Susan Padwee, Elaine Justic, Eula Carter, and Linda Shah, on behalf of themselves and others similarly situated,

*Plaintiffs-Appellants,*

v.

The City of New York, Abraham Beame, as Mayor of the City of New York; John V. Lindsay, Harry Bronstein, as City Personnel Director; New York City Health and Hospitals Corporation; New York City Housing Authority; New York City Off-Track Betting Corporation, Joseph Monserrat, Seymour P. Lachman, Isaih E. Robinson, Jr., Mary E. Meady, et. al.,

*Defendants-Appellees.*

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It is hereby ordered that the motion made herein by counsel for the appellants by notice of motion dated March 27, 1975 to vacate summarily the order of the United States District Court for the Southern District of New York and to remand this action to the United States District Court for the Southern District of New York for further proceedings not inconsistent with this court's decision indecision in *Communications Workers of America v. American Telephone & Telegraph Co.* (Docket #74-2191) is granted.

s/ \_\_\_\_\_  
IRVING R. KAUFMAN

s/ \_\_\_\_\_  
J. EDWARD LUMBARD

s/ \_\_\_\_\_  
J. JOSEPH SMITH, *Circuit Judges*

## APPENDIX B

## Opinion of the Court of Appeals

## UNITED STATES COURT OF APPEALS

## FOR THE SECOND CIRCUIT

No. 461—September Term, 1974.

(Argued December 9, 1974 Decided March 26, 1975.)

Docket No. 74-2191

COMMUNICATIONS WORKERS OF AMERICA, AFL-CIO,  
ESTHER SKIPPER, Individually and on Behalf of All  
Similarly Situated Non-Supervisory Female Employees of  
American Telephone and Telegraph Company, Long Lines  
Department,

*Plaintiffs-Appellants,*

—against—

AMERICAN TELEPHONE AND TELEGRAPH COMPANY,  
LONG LINES DEPARTMENT,

*Defendant-Appellee.*

Before:

FEINBERG and MULLIGAN, *Circuit Judges*  
and BRYAN, *District Judge\**

Interlocutory appeal from an order of the United States  
District Court for the Southern District of New York (Whitman

\*Frederick vP. Bryan, of the Southern District of New York, sitting by designation.

Knapp, J.), which dismissed the complaint in the action with leave to replead and certified a question to this court pursuant to 28 U.S.C. § 1292(b). Certified question answered in the negative, order dismissing complaint reversed and action remanded.

MARY K. O'MELVENY, New York, New York (Cohn, Glickstein, Lurie, Ostrin & Lubell, New York, New York, Jonathan W. Lubell and H. Howard Ostrin, of counsel; Kane & Koons, Washington, D.C., Charles V. Koons, of counsel), *for Plaintiffs-Appellants*.

THOMPSON POWERS, Washington, D.C. (Steptoe & Johnson, Washington, D.C., James D. Hutchinson and Kenneth I. Jonson, of counsel; Harold S. Levy and Jim G. Kilpatric, New York, New York), *for Defendant-Appellee*.

LINDA COLVARD DORIAN, Washington, D.C. (United States Equal Employment Opportunity Commission, William A. Carey, General Counsel, Joseph T. Eddins, Associate General Counsel, Beatrice Rosenberg and Charles L. Reischel, of counsel), *for amicus curiae EEOC*.

Amicus Brief, urging affirmance, was filed by Alaska Airlines, Inc., et al. (Gordon Dean Booth, Jr., Atlanta, Georgia; Troutman, Sanders, Lockerman and Ashmore, and Robert N. Meals, Jr., of Counsel, all of Atlanta, Georgia.)

Amicus Briefs, urging reversal, were filed by International Union of Electrical, Radio and Marine Workers, et al. (Winn Newman, Ruth Weyand, Marcia D. Greenberger, Joseph N. Onek and Lois J. Schiffer, all of Washington, D.C., and Irving Abramson, Stephen C. Vladeck, Frank J. Donner, James G. Maura, Jr., and Robert Z. Lewis, all of New York, New York); New York Civil Liberties Union (Eve Cary, New York, New York; Ruth Bader Ginsburg, Melvin L. Wulf, Kathleen Peratis, Wendy Webster Williams,

New York, New York, of Counsel); Bellamy Blank Goodman Kelly & Stanley (Mary F. Kelly, Nancy E. Stanley, New York, New York); New York State Division of Human Rights (Henry Spitz, General Counsel, Ann Thacher Anderson of counsel, New York, New York).

BRYAN, *District Judge*:

This is an interlocutory appeal pursuant to 28 U.S.C. § 1292(b) from an order of the United States District Court for the Southern District of New York (Whitman Knapp, J.) which dismissed the complaint in this action with leave to replead and certified a question to this Court. This Court has allowed the appeal on the question so certified.

The suit, commenced on July 31, 1973, is a class action brought by plaintiffs-appellants Communications Workers of America, AFL-CIO (CWA) and Esther Skipper, under Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, 42 U.S.C. § 2000-e et seq.<sup>1</sup> The complaint alleges that the Long Lines Department of defendant-appellee American Telephone & Telegraph Company (Long Lines) violated Title VII, which prohibits discrimination in employment between employees on the basis of sex.

The allegations of the complaint as to specific policies and practices of Long Lines claimed to be violative of Title VII are obviously based on guidelines issued by the Equal Employment Opportunity Commission (EEOC), which is the federal agency charged with enforcement of the Act. These guidelines were designed to prohibit disparity of treatment between pregnancy and other disabilities in the employment context. See 29 C.F.R.

<sup>1</sup> 42 U.S.C. § 2000e-2(a) (1) provides, in relevant part:

"(a) It shall be an unlawful employment practice for an employer —(1) to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex, or national origin."

1604.10 (b).<sup>2</sup> The complaint alleges that Long Lines "has promulgated and maintained policies, practices, customs and usages which limit the employment opportunities of its female employees because of sex by failing and refusing to provide equal rights, benefits and privileges to females under temporary disability due to pregnancy or childbirth or complications arising therefrom as are made available to its male employees under temporary disability. [Long Lines'] discriminatory practices and policies involve matters such as the commencement and duration of leave, the availability of extensions, the accrual of seniority and other benefits and privileges, reinstatement, and payments under health or disability insurance or sick leave plans. . . ."

Declaratory, injunctive and monetary relief is sought on behalf of all non-supervisory female employees and former female employees of Long Lines, who have been or may be affected by the policies and practices complained of.<sup>3</sup>

The answer admits that under the Long Lines disability benefit plans, sickness and disability benefits are not paid in connection with absences arising on account of "certain conditions attendant to pregnancy, childbirth, or child rearing," but denies that Long Lines' policies and practices constitute sex discrimination in violation of Title VII. The answer includes, among other defenses, a separate defense that any alleged

<sup>2</sup> 29 C.F.R. § 1604.10(b) provides:

"(b) Disabilities caused or contributed to by pregnancy, miscarriage, abortion, childbirth and recovery therefrom are, for all job related purposes, temporary disabilities and should be treated as such under any health or temporary disability insurance or sick leave plan available in connection with employment. Written and unwritten employment policies and practices involving matters such as the commencement and duration of leave, the availability of extensions, the accrual of seniority and other benefits and privileges, reinstatement, and payment under any health or temporary disability insurance or sick leave plan, formal or informal, shall be applied to disability due to pregnancy or childbirth on the same terms and conditions as they are applied to other temporary disabilities."

<sup>3</sup> The complaint also contains appropriate jurisdictional allegations that a complaint was duly filed with the EEOC which gave the required notice of the right to sue.

discrimination on the basis of sex arising from failure to include absences relating to pregnancy, childbirth or child rearing in Long Lines' disability plans "is based upon a rational and neutral business justification" under Title VII.<sup>4</sup>

Prior to the dismissal of the complaint below, both sides had conducted a substantial amount of pre-trial discovery. Discovery had not been completed, however, and as yet no depositions have been taken. A motion concerning class action treatment was pending before the district court.

On June 17, 1974, while that motion was *sub judice*, the Supreme Court decided *Geduldig v. Aiello*, 417 U.S. 484 (1974), holding that the provisions of a California statutory state-administered system of disability insurance for private employees which excluded from coverage disabilities arising from normal pregnancy did not violate the Equal Protection Clause of the Fourteenth Amendment.

The district court, in the case at bar, then requested briefs and heard argument on the question of whether the complaint under Title VII should not be dismissed *sua sponte* in the light of *Aiello*.

The opinion of the district court which followed read the majority opinion in *Aiello*, and particularly footnote 20 of that opinion (417 U.S. at 496), as "flatly" holding that disparity of treatment between pregnancy-related and other disabilities cannot be classified as sex discrimination under either the Equal Protection Clause or Title VII, absent a showing that such disparity was a mere pretext designed to effect invidious discrimination against the female sex. It concluded that *Aiello* was decisive of the issues raised by the complaint in this case and that therefore as a matter of law the complaint failed to

<sup>4</sup> The answer also pleads a counterclaim based on collective bargaining agreements between CWA and AT&T, to which CWA has replied denying liability. The counterclaim is irrelevant to this appeal.



state a claim on which relief could be granted under Title VII.<sup>5</sup> The district court dismissed the complaint solely on that ground, with leave to replead,<sup>6</sup> and certified the following question to this court pursuant to 28 U.S.C. § 1292(b):<sup>7</sup>

“... whether *Aiello* has established—for purposes of [this action]—that disparity between the treatment of pregnancy-related and other disabilities does not of itself constitute discrimination on the basis of sex (or gender) within the prohibition either of Title VII or of the Fourteenth Amendment.”<sup>8</sup>

<sup>5</sup>The district court did not refer to and apparently did not consider any of the factual material obtained through the incomplete discovery conducted by the parties and included in the record on appeal. Though the briefs of the parties and of *amicus curiae* make extended references to such material, it is not relevant on this appeal, which is concerned only with the district court's holding that the complaint on its face was insufficient as a matter of law.

<sup>6</sup>Acknowledging that “if principles of ‘notice pleading’ were to be applied [the complaint] could be read as broad enough to permit proof of the type of ‘invidious discrimination’ that would justify relief under either the 14th Amendment or Title VII,” the opinion nevertheless construed the complaint as alleging “that disparity with respect to pregnancy-related disabilities in and of itself constituted discrimination on grounds of sex (or gender). . . .” Apparently, leave to replead was granted to permit plaintiffs to assert a claim that the Long Lines policies and practices were mere pretexts designed to effect invidious discrimination against members of the female sex.

<sup>7</sup>At the same time as the question of *sua sponte* dismissal was argued in the case at bar, the district court also heard argument on the same question in *Women in City Government United, et al. v. The City of New York, et al.*, 74 Civ. 304 (S.D.N.Y.). The complaint in that case alleged that a health and hospitalization plan which offered fewer benefits for pregnancy-related conditions than for other medical and surgical problems violated both Title VII and the Equal Protection Clause. The opinion of the district court treated both cases together and reached the same conclusion and certified the same question pursuant to Section 1292(b) in both. In the *Women United* case, however, permission to appeal on the question so certified was denied by the Court of Appeals and the case was remanded to the district court on October 2, 1974. The district court then dismissed the complaint in that action with prejudice. An appeal is presently pending in this court (#74-2352) from that order. A motion to consolidate that appeal with the interlocutory appeal in the case at bar was denied on October 23, 1974. The appeal has not as yet been heard in this Court.

<sup>8</sup>We assume that the Fourteenth Amendment was included in the certified question because the companion action, *Women in City Government United, et al. v. The City of New York, et al.*, decided at the same time, charged violation of both the Equal Protection Clause and Title VII. See n.7, *supra*. There is no claim of violation of the Equal Protection Clause in the case at bar and we do not pass on any Equal Protection question.

We think that the question certified does not adequately pose the issue on this appeal. In essence, what the court below held was that *Aiello* established that the disparity of treatment of pregnancy-related disabilities alleged in the complaint *cannot* constitute discrimination under Title VII unless it is alleged and proved to be a mere pretext designed to effect invidious discrimination against the female sex. The real question posed here is whether *Aiello* required dismissal of the complaint in this action as a matter of law for failure to state a claim on which relief could be granted under Title VII. That narrow question is the sole question to which we address ourselves.

We disagree with the district court's reading of *Aiello*. In our view, *Aiello* is not decisive of the issues raised by this complaint under Title VII and the court below was in error in holding that *Aiello* required dismissal of the complaint as a matter of law.

At the outset of the discussion, it is well to bear in mind the admonition of Chief Justice Marshall in *Cohens v. Virginia*, 6 Wheaton (19 U.S.) 264, 399-400 (1821):

“It is a maxim not to be disregarded, that general expressions, in every opinion, are to be taken in connection with the case in which those expressions are used. If they go beyond the case, they may be respected, but ought not to control the judgment in a subsequent suit when the very point is presented for decision. The reason of this maxim is obvious. The question actually before the court is investigated with care, and considered in its full extent. Other principles which may serve to illustrate it, are considered in their relation to the case decided, but their possible bearing on all other cases is seldom completely investigated.

Chief Justice Marshall's admonition has been repeated many times since. For example, in *Armour & Co. v. Wantock*, 323 U.S. 126, 132-133 (1944), *rehearing denied*, 323 U.S. 818 (1945), Mr. Justice Jackson, writing for a unanimous court, stated:

"It is timely again to remind counsel that words of our opinions are to be read in the light of the facts of the case under discussion. To keep opinions within reasonable bounds precludes writing into them every limitation or variation which might be suggested by the circumstances of cases not before the Court. General expressions transposed to other facts are often misleading."

See also *Humphrey's Executor v. United States*, 295 U.S. 602, 626 (1935); *United Gas Improvement Co. v. Continental Oil Co.*, 381 U.S. 392, 404 (1965); *United States v. Neifert-White Co.*, 390 U.S. 228, 231 (1968); *Cameron v. Mullen*, 387 F.2d 193 (D.C. Cir. 1967); *Irwin v. Simmons*, 140 F.2d 558 (2d Cir. 1944); *NLRB v. Cities Service Oil Co.*, 129 F.2d 933 (2d Cir. 1942); *Commissioner of Internal Revenue v. Marshall*, 125 F.2d 943 (2d Cir. 1942).

These cautions apply with particular emphasis to footnotes or other "marginalia" in Supreme Court opinions, which should be read "within the context of the holding of the Court and the text to which it is appended," *Harkless v. Sweeney Independent School District*, 427 F.2d 319, 322 (5th Cir. 1970), cert. denied, 400 U.S. 991 (1971). See also *John Hancock Mutual Life Insurance Company v. Bartels*, 308 U.S. 180, 184 (1939). In view of the wide differences between *Aiello* and the case at bar, these warnings are particularly apposite here.

*Aiello* involved a challenge under the Equal Protection Clause to a provision of the California Unemployment Insurance Code which excluded disabilities due to normal pregnancy from coverage under a state-administered disability insurance program for private employees. A three-judge court below, with one judge dissenting, found that the exclusion of pregnancy-related disabilities from coverage under the California insurance program "is not based on a classification having a rational and substantial relationship to a legitimate state purpose" and therefore held that the challenged provisions of the statute violated the Equal Protection Clause and were constitutionally

invalid. *Aiello v. Hansen*, 359 F. Supp. 792, 801 (N.D. Cal. 1973).

The Supreme Court reversed, with three justices dissenting, *Geduldig v. Aiello*, *supra*. Justice Stewart, writing for the majority, considered the legislative purposes and policies sought to be accomplished by the California disability insurance program, the risks involved, the costs of maintaining the program on a sustaining basis and the effects of included pregnancy-related disabilities within its coverage. Relying on *Dandridge v. Williams*, 397 U.S. 471, 486-7 (1970); *Jefferson v. Hackney*, 406 U.S. 535 (1972); and *Williamson v. Lee Optical Co.*, 348 U.S. 483, 489 (1955), he pointed out that the Equal Protection Clause does not require a state to attack every aspect of a problem at once, and that "particularly with respect to social welfare programs, so long as the line drawn by the State is rationally supportable, the Courts will not interpose their judgment as to the appropriate stopping point." *Aiello*, *supra*, 417 U.S. at 495.

Justice Stewart found that the State had shown a legitimate interest in maintaining its insurance program on a self-supporting basis, in keeping benefit payments at an adequate level for covered disabilities and in maintaining the contribution rates at a level not unduly burdensome for participating employees.

Justice Stewart concluded that "these policies provide an objective and wholly non-invidious basis for the State's decision not to create a more comprehensive insurance program than it has," *Aiello*, *supra*, at 496, and held that the exclusion of pregnancy-related disabilities from coverage under the California insurance program did not constitute invidious discrimination because of sex under the Equal Protection Clause.

Justice Brennan, writing for the dissent, was of the view that the California legislative classification was analogous to the



legislative classifications held to be constitutionally invalid in *Reed v. Reed*, 404 U.S. 71 (1971) and *Frontiero v. Richardson*, 411 U.S. 677 (1973). Justice Brennan reiterated the views he had expressed in *Frontiero*, *supra*, at 688, that classifications based on sex or gender "are inherently suspect and must therefore be subjected to strict judicial scrutiny." Justice Brennan also quoted his dissenting opinion in *Kahn v. Shevin*, 416 U.S. 351, 357-58 (1973) to the effect that "[t]he Court is not . . . free to sustain the statute on the ground that it rationally promotes legitimate governmental interests; rather, such suspect classifications can be sustained only when the State bears the burden of demonstrating that the challenged legislation serves overriding or compelling interests that cannot be achieved either by a more carefully tailored legislative classification, or by the use of feasible, less drastic means." *Aiello*, *supra*, at 503. In Justice Brennan's view, California had failed to meet that burden and thus its exclusion of pregnancy-related disabilities violated the Equal Protection Clause.

Footnote 20 of the majority opinion,<sup>9</sup> on which the district court below principally relied in holding that *Aiello* required dismissal of the complaint in the case at bar, is in essence a

<sup>9</sup>The full text of footnote 20, at 496-7, is as follows:

The dissenting opinion to the contrary, this case is thus a far cry from cases like *Reed v. Reed*, 404 U.S. 71 (1971) and *Frontiero v. Richardson*, 411 U.S. 677 (1973), involving discrimination based upon gender as such. The California insurance program does not exclude anyone from benefit eligibility because of gender but merely removes one physical condition — pregnancy — from the list of compensable disabilities. While it is true that only women can become pregnant, it does not follow that every legislative classification concerning pregnancy is a sex-based classification like those considered in *Reed*, *supra*, and *Frontiero*, *supra*. Normal pregnancy is an objectively identifiable physical condition with unique characteristics. Absent a showing that distinctions involving pregnancy are mere pretexts designed to effect an invidious discrimination against the members of one sex or the other, lawmakers are constitutionally free to include or exclude pregnancy from the coverage of legislation such as this on any reasonable basis, just as with respect to any other physical condition.

The lack of identity between the excluded disability and gender as such under this insurance program becomes clear upon the most cursory analysis. The program divides potential recipients into two groups — pregnant women and nonpregnant persons. While the first group is exclusively female, the second includes members of both sexes. The fiscal and actuarial benefits of the program this accrue to members of both sexes.

refutation of the dissenting view as to the Equal Protection standards of judicial scrutiny applicable to the California legislative classification before the Court. It rejects the dissenting view that the California classification should be treated like the legislative classifications in *Reed*, *supra*, and *Frontiero*, *supra*. Stating that not "every legislative classification concerning pregnancy is a sex-based classification . . .", it goes on to say that "[a]bsent a showing that distinctions involving pregnancy are mere pretexts designed to effect an invidious discrimination against the members of one sex or the other, lawmakers are constitutionally free to include or exclude pregnancy from the coverage of legislation such as this on any reasonable basis. . . ." (Emphasis added.) Thus, footnote 20 deals with the constitutional validity of legislative classifications under the Equal Protection Clause, the standards of judicial scrutiny to be applied in making such a determination, and nothing more. Moreover, it does so in the context of the extensive record before the Court as to the operation and effects of the particular statutory insurance program it was considering and the considerations which led the California legislature to adopt it.

Nowhere, either in the body of the majority opinion in *Aiello* or in the footnote, is there any reference to the provisions of Title VII or the EEOC guidelines designed to prohibit the disparate treatment of pregnancy disabilities in the employment context. Under the guidelines, disabilities caused by pregnancy or childbirth are declared to be temporary disabilities for all job-related purposes, requiring employers to treat such disabilities on the same terms and conditions as other temporary disabilities are treated.<sup>10</sup>

The EEOC guidelines under Title VII are an administrative interpretation of the Act by the enforcing agency and are thus

<sup>10</sup>As previously pointed out, p. 2552, *supra*, the allegations of sex discrimination in the complaint in the case at bar are based upon these guidelines.

entitled to "great deference," *Griggs v. Duke Power Co.*, 401 U.S. 424, 434 (1971), *Phillips v. Martin Marietta Corp.*, 400 U.S. 542, 545 (1971) (Marshall, J., concurring), unless their application would be inconsistent with an obvious Congressional intent. *Espinoza v. Farah Mfg. Co.*, 414 U.S. 86, 94 (1973).

If, as the district court below thought, *Aiello* was a definitive holding that, absent mere pretext, disparity of treatment of pregnancy-related disabilities could not constitute a violation of Title VII, *Aiello* would substantially circumscribe the reach of that Act of Congress and would invalidate the guidelines as to treatment of pregnancy disabilities issued by the EEOC. It is inconceivable that the majority opinion intended so to hold without even a mention of Title VII or the guidelines.<sup>11</sup>

Beyond this, the question in the case at bar as to the consequences of disparate treatment of pregnancy-related disabilities in the private employment context must be analyzed and decided in a framework quite different from that in which the question was decided in *Aiello*. Here the issue is one of statutory interpretation, not one of constitutional analysis as in *Aiello*.

<sup>11</sup>It should be noted that only five months before *Aiello* was decided, Justice Stewart, in his majority opinion in *Cleveland Board of Education v. La Fleur*, 414 U.S. 632 (1974), held that mandatory maternity leave policies for public school teachers of the Cleveland Board of Education violated the Due Process Clause of the Fourteenth Amendment. Title VII was not applicable to the cases before the Court in *La Fleur* since the maternity leaves at issue had occurred before Title VII was amended in 1972 to include state agencies and educational institutions. See Pub. L. 92-261, 86 Stat. 103. In n. 8, at 639, Justice Stewart, referring to the 1972 amendment, expressly pointed out that,

"Shortly thereafter, the Equal Employment Opportunity Commission promulgated guidelines providing that a mandatory leave or termination policy for pregnant women presumptively violates Title VII. 29 C.F.R. § 1604.10, 37 Fed. Reg. 6837. While the statutory amendments and the administrative regulations are, of course, inapplicable to the cases now before us, they will affect like suits in the future."

It can scarcely be thought that Justice Stewart in *Aiello* *sub silentio* invalidated the guidelines which he had said only five months before in *La Fleur* would, in the future, affect suits involving pregnancy-related employment practices.

Under the Commerce Clause, Congress plainly has the power to prohibit by statute various forms of discrimination in private employment which it deems would adversely affect the flow of interstate commerce. *Heart of Atlanta Motel v. United States*, 379 U.S. 241 (1964); *Katzbach v. McClung*, 379 U.S. 294 (1964).<sup>12</sup>

Title VII is legislation of this nature, designed to prohibit a broad spectrum of discriminatory evils which Congress deemed would have such an adverse effect. There is no requirement that the discriminatory practices forbidden by this statute should be limited to practices violative of the Equal Protection Clause. Practices forbidden by Title VII and the EEOC guidelines issued thereunder may, nonetheless, be able to survive Equal Protection attack.

Thus, the question to be decided in the case at bar is *not* as in *Aiello*, whether exclusion of pregnancy-related disabilities from coverage violates the Equal Protection Clause. It is whether, as a matter of statutory interpretation, the practices complained of are forbidden by Title VII and the EEOC guidelines. We agree with the conclusion reached in the several recent well-reasoned cases dealing with the question of whether disparity of treatment between pregnancy-related and other disabilities in the employment context violates Title VII, that *Aiello* is not dispositive of that issue. *Wetzel v. Liberty Mutual Insurance Co.*, No. 74-1233 (3d Cir. February 11, 1975), *affirming* 372 F. Supp. 1146 (W.D. Pa. 1974); *Vineyard v. Hollister Elementary School District*, 64 F.R.D. 580 (N.D. Cal. 1974); *Sale v. Waverly-Shell Rock Board of Education*, No. C74-2029 (N.D. Iowa Jan. 8, 1975). See also *Union Free School District No. 6 v.*

<sup>12</sup>This is in addition to the Congressional power under Section 5 of the Fourteenth Amendment to enforce, by appropriate legislation, the dictates of the Equal Protection Clause. That power may reach more broadly than the Equal Protection Clause itself. See *Katzbach v. Morgan*, 384 U.S. 641 (1966); *United States v. Guest*, 383 U.S. 745, 781-784 (1966) (Brennan, J., concurring and dissenting). See also *Vineyard v. Hollister Elementary School District*, 64 F.R.D. 580, 585 (N.D. Cal. 1974).



*New York State Human Rights Appeal Board*, 35 N.Y.2d 371, 362 N.Y.S.2d 139 (1974); *Farkas v. Southwestern City School District*, 506 F.2d 1400 (6th Cir. 1974) (affirming judgment of district court that failure to pay teachers sick leave for absences relating to pregnancy constitutes discrimination on the basis of sex).

Finally, it should be noted that in the case at bar, in contrast to *Aiello*, only the bare allegations of the complaint couched in general language, largely taken from the statute and the guidelines, were before the district court. *Aiello* was decided on a full record in which the nature, details, operations and effect of the state insurance plan under attack and the reasons for its enactment were fully explored. The ultimate merits of the case at bar are not ripe for determination on such a record or at this state of the proceedings.

What has been said thus far disposes of the narrow question presented on this appeal. That question is confined to the allegations of the complaint and the effect of *Aiello* thereon. We think it highly inadvisable, on an interlocutory appeal of this nature, to go beyond the bare limits of the question presented. In this state of the record it would be unwise to discuss any questions which might arise during the further course of the action or to indicate any views which might bear on the ultimate merits. We expressly refrain from so doing.

We hold only that *Aiello* did not require the dismissal of the complaint as a matter of law for failure to state a claim on which relief could be granted under Title VII. Thus, the question posed on this appeal is answered in the negative. The order dismissing the complaint is therefore reversed and the action is remanded to the district court for appropriate proceedings consistent with this opinion.

## APPENDIX C

## Opinion of the District Court

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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COMMUNICATONS WORKERS OF AMERICA, :  
AFL-CIO; ESTHER SKIPPER, Individually :  
and on Behalf of All Similarly Situated : 73 Civ. 3353  
Non-Supervisory Female Employees of :  
American Telephone and Telegraph :  
Company Long Lines Department, :

Plaintiffs

-against-

AMERICAN TELEPHONE AND TELEGRAPH :  
COMPANY, LONG LINES DEPARTMENT, :

Defendants

OPINION

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WOMEN IN CITY GOVERNMENT UNITED, :  
et al., :

Plaintiffs

-against-

74 Civ. 304

THE CITY OF NEW YORK, et al., :

Defendants

-----

## APPEARANCES:

(75 Civ. 3353)

COHN, GLICKSTEIN, LURIE, OSTRIN &amp; LUBELL

Attorneys for Plaintiffs

1370 Avenue of the Americas

New York, New York 10019

By: MARY K. O'MELVENY

JONATHAN W. LUBELL

BARBARA SCHAIN,

Of Counsel

—and—

KANE &amp; KOONS

Attorneys for Plaintiffs

1100 Seventeenth Street, N.W.

Washington, D. C. 20036

\* \* \*

STEPTOE &amp; JOHNSON

Attorneys for Defendants

1250 Connecticut Avenue, N.W.

Washington, D. C. 20036

By: THOMPSON POWERS

JAMES D. HUTCHINSON

KENNETH I. JONSON,

Of Counsel

—and—

JIM G. KILPATRIC

32 Avenue of the Americas

New York, New York 10013

\* \* \*

Office of the General Counsel

Equal Employment Opportunity Commission

Amicus Curiae

1800 G. Street, N.W.

Washington, D.C. 20506

By: LINDA COLVARD DORIAN

(74 Civ. 304)

RABINOWITZ, BOUDIN &amp; STANDARD

Attorneys for Plaintiffs

30 East 42nd Street

New York, New York 10017

By: K. RANDLETT WALSTER, Of Counsel

MIRKIN, BARRE, SALTZSTEIN &amp; GORDON, P.C.

Attorneys for Defendants, Social Service Employees

«Union Local 371 and Social Service Employees

Union Local 371 Welfare Fund

98 Cutter Mill Road

Great Neck, New York 11021

By: GERALD J. BARRE

STEPHEN F. GORDON

Of Counsel

ADRIAN P. BURKE

Corporation Counsel

Attorney for Defendants

Municipal Building

New York, New York 10007

By: DAVID W. FISHER

CHARLES W. SEGAL,

Of Counsel

BREED, ABBOTT & MORGAN  
 Attorneys for Blue Cross and Blue Shield  
 of Greater New York  
 One Chase Manhattan Plaza  
 New York, New York 10005  
 By: DONALD B. da PARMA  
 ELLIOTT ABRAMS,  
 Of Counsel

TRUBIN SILLCOCKS EDELMAN & KNAPP  
 Attorneys for Group Health Inc.  
 375 Park Avenue  
 New York, New York 10022  
 By: ROSS SANDLER  
 JOSEPH A. KLEIN,  
 Of Counsel

JULIUS TOPOL  
 Attorney for D.C. 37 and D.C. 37  
 Health and Security Plan  
 140 Park Place  
 New York, New York 10007

DELSON & GORDON  
 Attorneys for Defendants United Federation of  
 Teachers and United Federation of Teachers  
 Welfare Fund  
 230 Park Avenue  
 New York, New York 10017

EDWARD L. JOHNSON  
 Attorney for Defendant New York City  
 Housing Authority  
 250 Broadway  
 New York, New York

*KNAPP, D. J.*

The complaints in these unrelated class actions make quite similar allegations. They each allege inter alia that the several defendants have, in the treatment of pregnant employees, violated the proscription against discrimination on the basis of sex contained in Title VII of the Civil Rights Act of 1964.

Paragraph 7 of the CWA complaint alleges in part:

"the defendant has promulgated and maintained policies\*\*\* which limit the employment opportunities of its female employees because of sex by failing and refusing to provide equal rights, benefits and privileges to females under temporary disability due to pregnancy or childbirth or complications arising therefrom, as are made available to its male employees under temporary disability."

Paragraph 51 of the WICGU complaint (plaintiffs' first cause of action) alleges:

"Defendants\*\*\*have\*\*\*discriminated against the plaintiffs in this action in the terms and conditions of employment because of sex, in that the health and hospitalization insurance plans negotiated and approved by defendant\*\*\* offer substantially fewer benefits for pregnancy and pregnancy-related conditions than for other medical and surgical problems requiring hospital and medical care."

The remaining ten causes of action alleged in the WICGU complaint may fairly be characterized as variations on the theme of paragraph 51, the differences being in the particular defendant named and the type of policy attacked — health and hospitalization insurance or disability benefit.

Motions were argued before me in both cases on May 21, 1974. In CWA the motions concerned class action treatment. In



WICGU the major motion had to do with exhaustion of Title VII remedies.

While those motions were sub judice, the Supreme Court decided *Geduldig v. Aiello*, 42 U.S.L.W. 4905. We then scheduled argument as to whether in light of *Aiello* — especially footnote 20 of the opinion — this court should *sua sponte* dismiss the complaints in these actions. Having received briefs and heard argument, we so dismiss the complaints with leave to replead, and certify a question to the Court of Appeals.

In *Aiello* the Supreme Court held that California's disability insurance plan which excludes normal pregnancy from coverage does not violate the Equal Protection Clause of the Fourteenth Amendment. Thus, inter alia, the Court observed (at 4908):

"We cannot agree that the exclusion of this disability from coverage amounts to invidious discrimination under the Equal Protection Clause. California does not discriminate with respect to the persons or groups who are eligible for disability insurance protection under the program."

The Court found legitimate and "wholly non-invidious" California's reasons for not wanting a more comprehensive program — the state's desire to keep the contribution rate low, to keep the program self-supporting, and to provide adequate benefits for some disabilities rather than inadequate benefits for all (*id.*). The Court further found "no evidence in the record that the selection of the risks insured by the program worked to discriminate against any definable group or class\*\*\*." (*id.*)

The footnote (footnote 20) to the sentence just quoted provides — in our view — the key to the Court's decision. It flatly states that distinctions involving pregnancy do not constitute discrimination because of sex (or gender). In the first paragraph of that footnote the Court, in answer to arguments presented by the dissenting justices, observed:

"The dissenting opinion to the contrary, this case is thus a far cry from cases like *Reed v. Reed*, 404 U.S. 71, and *Frontiero v. Richardson*, 411 U.S. 677, involving discrimination based upon gender as such. The California insurance program does not exclude anyone from benefit eligibility because of gender but merely removes one physical condition — pregnancy — from the list of compensable disabilities. While it is true that only women can become pregnant, it does not follow that every legislative classification concerning pregnancy is a sex-based classification like those considered in *Reed*, *supra*, and *Frontiero*, *supra*. Normal pregnancy is an objectively identifiable physical condition with unique characteristics. Absent a showing that distinctions involving pregnancy are mere pretext designed to effect an invidious discrimination against the members of one sex or the other, lawmakers are constitutionally free to include or exclude pregnancy from the coverage of legislation such as this on any reasonable basis, just as with respect to any other physical condition."

In the second paragraph, the Court synthesized its position:

"The lack of identity between the excluded disability and gender as such under this insurance program becomes clear upon the most cursory analysis. The program divides potential recipients into two groups — pregnant women and nonpregnant persons. While the first group is exclusively female, the second includes members of both sexes. The fiscal and actuarial benefits of the program thus accrue to members of both sexes."

At oral argument in the case at bar, counsel for both sets of plaintiffs and counsel for the EEOC as amicus curiae, insistently argued that *Aiello* is distinguishable on many grounds. The most significant distinction was said to be that the instant cases involve disparate treatment by employers — private as well as municipal — of pregnant women in the workplace, while *Aiello* involved a social welfare policy created by state legislation.

While deference is to be shown to legislative judgments on social welfare matters, the argument goes, no such deference to allegedly discriminatory employers is warranted under Title VII.

The flaw in this argument is that it begs the question. The threshold question is whether disparity of treatment between pregnancy related disabilities and other disabilities can be classified as discrimination because of sex (or gender). If, as footnote 20 seems to suggest, it cannot be so classified, then the further question of whether such disparity is justified — or less justifiable in the employment context than in some other context — can never be reached.

In other words, if the *Aiello* Court had found that the California scheme did discriminate on the grounds of sex (or gender) but must nevertheless be upheld because of the deference due to California's sovereign right to make choices in methods of providing social welfare, the holding would clearly be inapplicable to a case arising under Title VII where no such deference is required. But such, as we read it, was not the holding of the Court. The holding was that California's treatment of pregnancy related disabilities did not in and of itself constitute a discrimination based on sex (or gender). Such a holding precludes relief under Title VII even more clearly than under the Fourteenth Amendment. Under the Amendment it would be open to pregnant women to argue that it was irrational to single them out as a class even if the singling out were not sex related. No such argument is open under Title VII, which deals only with discrimination "because of . . . sex." 42 U.S.C. § 2000 e(2)(a)(1).

Plaintiffs get scant help from the cases they cite for the proposition that discrimination on grounds of sex (or gender) means something different when the Fourteenth Amendment is involved than when Title VII comes into play. The cases cited for that proposition are in our view more readily explained by the respective dates of decision than by the rubric under which

they were decided. Thus, *West Coast Hotel Co. v. Parrish*, 300 U.S. 379, upholding protective legislation, was decided in 1937, while *Weeks v. Southern Bell Telephone* (5th Cir.) 467 F.2d 95, which ruled the opposite way, was decided in 1972. Similarly, *Goesaert v. Cleary*, 335 U.S. 464, was decided in 1948. It seems a safe guess that, in light of *Frontiero v. Richardson* (1973) 411 U.S. 677, *Phillips v. Martin Marietta Corp.* (1971) 400 U.S. 542, and *Sprogis v. United Air Lines* (7th Cir. 1971) 444 F.2d 1194, *cert. den.* 404 U.S. 991, both *West Coast Hotel* and *Goesart* would be decided differently today. In brief, *Aiello* does not represent a retreat from the Court's modern view as to discrimination on grounds of sex (or gender), but — as footnote 20 plainly indicates — a finding that disparity of treatment based on pregnancy does not in and of itself constitute such discrimination.<sup>1</sup>

Having come to this conclusion as to the effect of *Aiello*, the question arises as to what should be done with these lawsuits at the stage of the proceedings. A review of the complaints makes two things plain. *First*, both complaints were obviously drawn for the purpose of invoking the law as declared by the *Aiello* District Court (before it was reversed) to the effect that pregnancy-related disparity "in and of itself" constituted discrimination on grounds of sex (or gender). *Second*, if principles of "notice pleading" were to be applied, both complaints could be read as broad enough to permit proof of the type of "invidious discrimination" that would justify relief under either the Fourteenth Amendment or Title VII.

<sup>1</sup> By way of illustrating the Court's point, a woman's organization (e.g. a woman's club or actresses' workshop) could hardly be taxed with discriminating on grounds of sex (or gender) if its medical insurance policies provided no coverage for pregnancy-related disabilities. However such disparity of treatment of pregnant persons (who, not necessarily relevant so far as concerns the Amendment, happened to be women) might well run afoul of the equal protection demands of the Fourteenth Amendment, if it could be shown to involve state action and not to be economically or otherwise justifiable.

Any one of three courses of actions would therefore seem possible:

- (1) The complaints could be construed under the principles of notice pleading and the parties be allowed to proceed to trial, with the result that the question of the correctness of our interpretation of *Aiello* could be presented to the Court of Appeals on a full trial record.
- (2) The complaints could be construed — as the plaintiffs originally intended — to invoke the pre-*Aiello* law that disparity with respect to pregnancy-related disabilities in and of itself constituted discrimination on grounds of sex (or gender), and dismissed without leave to be replead, thus giving plaintiffs an appeal as of right to the Court of Appeals.
- (3) The complaints could be so construed but dismissed with leave to replead, and the question of *Aiello's* application to the cases at bar certified to the Court of Appeals.

Upon reflection, only the third of these possible courses of action seems appropriate.

If the first possible course were followed, the plaintiffs would be in almost an impossible position of having to wage a “two front war”, designed to present the Court of Appeals with a record calculated to take advantage of pre-*Aiello* law that pregnancy-related disparity in and of itself established a prima facie case under Title VII and designed at the same time to establish a fall back position that the particular practices pursued by these defendants — or some of them — were “invidious” and therefore in violation both of Title VII and of the Fourteenth Amendment. It goes without saying that the methods of proof appropriate to these two possible positions are quite disparate.

Moreover, oral argument on the problems presented by *Aiello* was devoted in large part to trying to ascertain how, if at all, the Court of Appeals could benefit by having the *Aiello* question presented to it on a full trial record. Counsel for both sets of plaintiffs and for *EEOC* as amicus curiae — although exhibiting the advocate's customary reluctance to yield a point — finally conceded that months or pre-trial discovery and weeks of trial would produce no new information which would assist the Court of Appeals in determining what effect, if any, *Aiello* should have on these lawsuits.

Finally, absent and authoritative determination of *Aiello's* effect, it would be almost impossible to define the parameters of the appropriate classes and sub-classes. Plaintiffs, in each case, ask in effect for a class including all women of child bearing age. If our interpretation of *Aiello* be correct it would seem that the class in each suit would have to be confined to women presently pregnant plus those who had actually been denied pregnancy benefits. On the other hand if *Aiello* be inapplicable, the class might well be much more numerous.

The second possible course (dismissal without leave to replead) would present the Court of Appeals with several basically irrelevant questions, such as whether or not plaintiffs had been fairly treated in having their complaints so narrowly construed without an opportunity to replead. Moreover, should the Court affirm the dismissal, plaintiffs might be saddled with wholly unnecessary statute of limitations problems if they then attempted to obtain relief on the theory that defendants, or any of them, had engaged in “invidious” conduct.

We shall therefore follow the third possible course and certify to the Court of Appeals pursuant to 28 U.S.C. § 1292(b) the question whether *Aiello* has established — for the purposes of these actions or either of them — that disparity between the treatment of pregnancy-related and other disabilities does not of itself constitute discrimination on the basis of sex (or gender)



within the prohibition either of Title VII or of the Fourteenth Amendment.

We believe that this opinion has demonstrated — and we so certify — that this question is controlling, and one as to which “there is substantial ground for difference of opinion”, and that its resoltuion would “materially advance the ultimate termination of the litigation”.

SO ORDERED.

Dated: New York, New York  
July 30, 1974

WHITMAN KNAPP, U.S.D.J.

# APPENDIX D

## ORDER OF THE DISTRICT COURT

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
WOMEN IN CITY GOVERNMENT UNITED, :  
BARBARA ROBERTSON, LESLIE BOYARSKY, :  
JACQUELIN GROSS, ARLENE FRIEDMAN, :  
ROBERT SUSSMAN, ALICIA CANTELM, :  
PAMELA MILLS, SUSAN PASS, LINDA :  
ZISES, EMILY BLITZ, SUSAN PADWEE, :  
ELAINE JUSTIC, EULA CARTER, and :  
LINDA SHAH, on behalf of themselves :  
and others similarly situated, :

Plaintiffs, :

-against- :

THE CITY OF NEW YORK: ABRAHAM BEAME :  
as MAYOR OF THE CITY OF NEW YORK; :  
JOHN V. LINDSAY; HARRY BRONSTEIN, as :  
CITY PERSONNEL DIRECTOR; NEW YORK :  
CITY HEALTH AND HOSPITALS CORPORATION; :  
NEW YORK CITY HOUSING AUTHORITY; NEW :  
YORK CITY OFF-TRACK BETTING CORPORATION; :  
JOSEPH MONSERRAT, SEYMOUR P. LACHMAN, :  
ISAIAH E. ROBINSON, JR., MARY E. MEADE, :  
Constituting the BOARD OF EDUCATION OF :  
THE CITY OF NEW YORK; ASSOCIATED HOSPITAL :  
SERVICE, INC.; GROUP HEALTH INCORPORATED; :  
UNITED MEDICAL SERVICE, INC.; SOCIAL :  
SERVICE EMPLOYEES UNION; SOCIAL SERVICES :  
EMPLOYEES UNION WELFARE FUND; DISTRICT :  
COUNCIL 37, AMERICAN FEDERATION OF STATE, :  
COUNTY & MUNICIPAL EMPLOYEES; DISTRICT :  
COUNCIL 37 HEALTH & SECURITY PLAN; UNITED :  
FEDERATION OF TEACHERS; and UNITED :  
FEDERATION OF TEACHERS WELFARE FUND, :

Defendants. :  
-----X

ORDER  
74 CIV.  
304 (W.K.)

AN OPINION AND ORDER having been entered on July 30, 1974, dismissing plaintiffs' complaint with leave to amend; and the Court of Appeals for the Second Circuit by an Order entered October 2, 1974, having denied plaintiffs' petition for leave to appeal; and plaintiffs having notified this Court by letter dated October 9, 1974, of their election not to amend their complaint, it is

ORDERED that plaintiffs' complaint be and the same hereby is dismissed with prejudice.

Dated: New York, New York  
October 10, 1974

s/ \_\_\_\_\_  
WHITMAN KNAPP  
U. S. D. J.

Supreme Court of the United States

OCTOBER TERM, 1975

NO. 75-70

AUG 11 1975

MICHAEL ROBAK, JR., CLERK

SOCIAL SERVICE EMPLOYEES UNION, LOCAL 371  
and SOCIAL SERVICE EMPLOYEES UNION,  
LOCAL 371 WELFARE FUND,

Petitioners,

v.

WOMEN IN CITY GOVERNMENT UNITED, et al.,

Respondents.

NO. 75-71

UNITED FEDERATION OF TEACHERS AND UNITED  
FEDERATION OF TEACHERS WELFARE FUND,

Petitioners,

v.

WOMEN IN CITY GOVERNMENT UNITED, et al.,

Respondents.

ON PETITIONS FOR A WRIT OF CERTIORARI TO THE  
UNITED STATES COURT OF APPEALS FOR THE  
SECOND CIRCUIT.

MEMORANDUM IN OPPOSITION

ERIC M. LIEBERMAN  
Attorney for Respondents  
30 East 42nd Street  
New York, New York 10017  
(212) OXford 7-8640



IN THE  
**Supreme Court of the United States**

OCTOBER TERM, 1975

No. 75-70

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SOCIAL SERVICE EMPLOYEES UNION, LOCAL 371  
and SOCIAL SERVICE EMPLOYEES UNION, LOCAL  
371 WELFARE FUND,

Petitioners,

v.

WOMEN IN CITY GOVERNMENT UNITED, et al.,  
Respondents.

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No. 75-71

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UNITED FEDERATION OF TEACHERS and UNITED  
FEDERATION OF TEACHERS WELFARE FUND,

Petitioners,

v.

WOMEN IN CITY GOVERNMENT UNITED, et al.,  
Respondents.

---

ON PETITIONS FOR A WRIT OF CERTIORARI  
TO THE UNITED STATES COURT OF APPEALS  
FOR THE SECOND CIRCUIT.

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MEMORANDUM IN OPPOSITION

Respondents oppose the grant of a writ of certiorari to review generally two orders of the United States Court of Appeals for the Second Circuit challenged by petitioners. However, respondents would not

oppose limited review of those orders with respect to the single issue which this court has already decided to consider in Wetzel v. Liberty Mutual Insurance Co., (No. 74-1245).

#### STATEMENT OF THE CASE

Petitioners seek review of an order of the United States Court of Appeals for the Second Circuit which had vacated an order of the United States District Court for the Southern District of New York, dismissing respondents' complaint on its face, and remanded the action. The district court's order of dismissal was based on its prior holding that respondents could not maintain an action for discrimination on the basis of sex under Title VII of the Civil Rights Act of 1964 as amended ("Title VII"), 42 U.S.C. § 2000e, et seq. challenging a variety of health and welfare fringe benefit plans and programs which deny or limit benefits for conditions relating to pregnancy and maternity. In so ruling, the district court relied entirely on its interpretation and application of this Court's decision in Geduldig v. Aiello, 417 U.S. 484.<sup>1/</sup> The Second Circuit's vacatur of the

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<sup>1/</sup> The district court had entered a joint opinion and order in this case and in Communications Workers of America v. American Telephone & Telegraph Co., 379 F.Supp.

order of dismissal followed its decision in Communications Workers of America v. American Telephone and Telegraph Co., 513 F.2d 1024 (2d Cir. 1975), holding that the decision in Aiello could not be applied to require dismissal of actions brought under Title VII.<sup>2/</sup>

#### ARGUMENT

In our view the ruling of the Second Circuit in the Communications Workers case is

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Fn. 1/ cont'd from p.2

679 (S.D.N.Y. 1975) dismissing the complaints in both actions with leave to replead that the defendants' exclusion of pregnancy-related conditions from fringe benefit plans was a pretext for sex discrimination. This opinion and order was certified to the Second Circuit for interlocutory appeal pursuant to 28 U.S.C. § 1292(b). The certification was accepted in the Communications Workers case but rejected here. After respondents elected not to amend their complaint, the district court dismissed this action on the merits from which an appeal was taken.

<sup>2/</sup> The defendant in the Communications Workers case, American Telephone & Telegraph Co., has filed a petition for certiorari (No. 74-1601) to review that decision.

clearly correct and its action in vacating the district court's order of dismissal herein and remanding this action is obviously appropriate. Nevertheless, in light of this Court's decision to grant certiorari in Wetzel v. Liberty Mutual Insurance Co., (No. 74-1245) to consider whether an "employer's exclusion of coverage for pregnancy-related disabilities from an employee disability income protection plan constitutes sex discrimination proscribed by Title VII of the Civil Rights Act of 1964,"<sup>3/</sup> and the current importance of this issue<sup>3/</sup>, the respondents would not oppose the granting of the writ of certiorari herein so that an authoritative ruling may be made by this Court in the context of the present action on the issue already presented by the Wetzel case.<sup>4/</sup> However, certiorari, if

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3/ Petitions for certiorari have been filed by petitioners herein, by the defendant in Communications Workers and by the defendant in Gilbert v. General Electric Co. (No. 74-1589, 74-1590.)

4/ Respondents, by their complaint, in addition to challenging petitioners' disability income protection plans, also challenge petitioner's medical benefit plans, health and hospitalization insurance provided by respondents' employer and for which the petitioner unions have negotiated, and maternity leave policies enforced by the employer.

granted, should be limited to review of the Second Circuit orders with respect to the question presented in Wetzel.<sup>5/</sup>

The single question presented in the petition submitted by the United Federation of Teachers ("UFT") and the United Federation of Teachers Welfare Fund ("UFT Fund")<sup>6/</sup> and the second question presented in the petition submitted by the Social Service Employees Union ("SSEU") and the Social Service Employees Union Welfare Fund ("SSEU Fund")<sup>7/</sup> are related to the question presented in Wetzel. However, they are inappropriate in that respondents' challenge to the petitioners' plans is based on their exclusion of benefits for disabilities and other medical conditions related to pregnancy, and not to an exclusion of benefits

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5/ The petitions for certiorari in Communications Workers and in Gilbert present the identical question raised in Wetzel.

6/ "Does the exclusion of pregnancy and related conditions from fringe benefit coverage provided by the Welfare Fund of a municipal labor organization representing public employees constitute sex discrimination proscribed by Title VII of the 1964 Civil Rights Act as amended?"

7/ "Is excluding pregnancy and related conditions from fringe benefit plan coverage proscribed discrimination under Title VII of the Civil Rights Act of 1964 as amended (Title VII)?"



for pregnancy itself. The wording of petitioners' questions gives the erroneous impression that respondents seek benefits for the mere occasion of pregnancy. To focus on the question presented in Wetzel will eliminate this source of potential confusion.

The SSEU and SSEU Fund also raise three additional questions,<sup>8/</sup> none of which conforms to the requirements of Rule 23 of the Rules of this Court that the questions presented be expressed in the terms and circumstances of the case.

Petitioners' questions present issues much broader than those necessary for a resolution of the present action.<sup>9/</sup> Perhaps the

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<sup>8/</sup> (1) "Is it proscribed discrimination to provide a benefit or fail to provide a benefit to individuals who, because of physiology, would be the only ones affected thereby?"

\* \* \*

(3) "What does invidious discrimination mean in the context of Title VII as it relates to pregnancy and related conditions?"

(4) "Does discrimination on grounds of sex (or gender) mean something different when the 14th Amendment is involved than when Title VII comes into play?"

<sup>9/</sup> The first question regarding the general issue of discrimination (presumably under Title VII) on the basis of physiological characteristics obviously need not be answered in reviewing the Second Circuit's

[--- Cont'd p.7]

reason why petitioners had difficulty in framing questions in the "terms and circumstances" of this case is because no concrete factual context has yet developed herein within which their broadly framed questions

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Fn.9/ cont'd from p.6

orders. The question could have meaning only with respect to some particular physiological characteristic and the challenged action taken with respect to it. Moreover, we would doubt that this question could ever be answered in the abstract. Physiology (*i.e.*, organic function) like levels of verbal ability may or may not have a disparate impact on a protected class under Title VII and may or may not be significantly related to job performance. In the absence of any record regarding the petitioners' general grant of disability benefits and the reasons for excluding disabilities relating to one particular physiological function, the question is incapable of resolution.

Petitioners' third question, asking this Court to explicate the meaning of "invidious discrimination ... in the context of Title VII" is disposed of by the simple fact that Title VII nowhere speaks of invidious discrimination so that that concept has no applicability and hence no meaning in this context of Title VII.

The petitioners' final question as to the meaning of discrimination on grounds of sex under the 14th Amendment and Title VII may be an appropriate topic for a law review article but it provides no clarification whatever of the issues in this case.

could possibly be answered.<sup>10/</sup>

There is no factual record evidencing the nature, details, operations and effect of the plans and policies challenged by respondents or any reasons or rationale for their challenged provisions. Thus petitioners' hypothetical and speculative questions are inappropriate for consideration if not incapable of meaningful resolution at this time.

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<sup>10/</sup> Unfortunately, after over one and one-half years of litigation, the parties are still at the most preliminary stages of this action. Discovery was stayed several months after the action was filed on the basis of motions for dismissal. There followed the district court's sua sponte dismissal and the appeal to the Second Circuit. After remand, motions for dismissal, summary judgment and severance raising numerous complex jurisdictional and other threshold questions were filed. The stay of discovery is now continued pending a decision on these preliminary motions and this Court's decision in Wetzel.

CONCLUSION

It is therefore respectfully submitted that the petition for a writ of certiorari, if granted, should be limited to consideration of the issue presented in Wetzel v. Liberty Mutual Insurance Co.

Respectfully submitted,

ERIC M. LIEBERMAN  
Attorney for Respondents  
30 East 42nd Street  
New York, New York 10017  
(212) OXford 7-8640

see

75-71